



General Assembly

February Session, 2014

Raised Bill No. 231

LCO No. 1003



Referred to Committee on COMMERCE

Introduced by:
(CE)

***AN ACT INCREASING THE CAP ON THE URBAN AND INDUSTRIAL
SITE TAX CREDIT AND THRESHOLD FOR LEGISLATIVE APPROVAL
OF FINANCIAL ASSISTANCE.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (i) of section 32-9t of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2014*):

4 (i) (1) There shall be allowed as a credit against the tax imposed
5 under chapters 207 to 212a, inclusive, or section 38a-743, or a
6 combination of said taxes, an amount equal to the following
7 percentage of approved investments made by or on behalf of a
8 taxpayer with respect to the following income years of the taxpayer:
9 (A) With respect to the income year in which the investment in the
10 eligible project was made and the two next succeeding income years,
11 zero per cent; (B) with respect to the third full income year succeeding
12 the year in which the investment in the eligible project was made and
13 the three next succeeding income years, ten per cent; (C) with respect
14 to the seventh full income year succeeding the year in which the

15 investment in the eligible project was made and the next two
16 succeeding years, twenty per cent. The sum of all tax credits granted
17 pursuant to the provisions of this section shall not exceed one hundred
18 million dollars with respect to a single eligible urban reinvestment
19 project or a single eligible industrial site investment project approved
20 by the commissioner. The sum of all tax credits granted pursuant to
21 the provisions of this section shall not exceed [six hundred fifty] eight
22 hundred million dollars.

23 (2) Notwithstanding the provisions of subdivision (1) of this
24 subsection, any applicant may, at the time of application, apply to the
25 commissioner for a credit that exceeds the limitations established by
26 this subsection. The commissioner shall evaluate the benefits of such
27 application and make recommendations to the General Assembly
28 relating to changes in the general statutes [which] that would be
29 necessary to effect such application if the commissioner determines
30 that the proposal would be of economic benefit to the state.

31 Sec. 2. Subsection (q) of section 32-9t of the general statutes is
32 repealed and the following is substituted in lieu thereof (*Effective July*
33 *1, 2014*):

34 (q) (1) Any tax credits approved under this section that would
35 constitute in excess of [twenty] forty million dollars in total for a single
36 investment shall be submitted by the Commissioner of Economic and
37 Community Development to the joint standing committee of the
38 General Assembly having cognizance of matters relating to finance,
39 revenue and bonding prior to the issuance of a certificate of eligibility
40 for such investment. Said committee shall have thirty days from the
41 date such project is submitted to convene a meeting to recommend
42 approval or disapproval of such investment. If such submittal is
43 withdrawn, altered, amended or otherwise changed, and resubmitted,
44 said committee shall have thirty days from the date of such resubmittal
45 to convene a meeting to recommend approval or disapproval of such
46 investment. If said committee does not act on a submittal or

47 resubmittal, as the case may be, within that time, the investment shall
48 be deemed to be approved by said committee.

49 (2) While the General Assembly is in session, the House of
50 Representatives or the Senate, or both, may meet not later than thirty
51 days following the date said committee makes a recommendation
52 pursuant to subdivision (1) of this subsection. If such submission is not
53 disapproved by the House of Representatives or the Senate, or both,
54 within such time, the commissioner may issue such certificate.

55 (3) While the General Assembly is not in regular session, the House
56 of Representatives or the Senate, or both, may meet not later than
57 thirty days following the date said committee makes a
58 recommendation pursuant to subdivision (1) of this subsection. If such
59 submission is not disapproved by the House of Representatives, the
60 Senate, or both, within such time, the commissioner may issue such
61 certificate.

62 Sec. 3. Section 32-462 of the general statutes is repealed and the
63 following is substituted in lieu thereof (*Effective July 1, 2014*):

64 (a) As used in this section:

65 (1) "Agency" means the Department of Economic and Community
66 Development or Connecticut Innovations, Incorporated.

67 (2) "Financial assistance" means grants, loans, loan guarantees,
68 contracts of insurance, investments, or combinations thereof, which are
69 provided from the proceeds of bonds, notes or other obligations of the
70 state or an agency [which] that constitute a debt or liability of the state
71 or [which] that are secured by a special capital reserve fund payable
72 from amounts appropriated or deemed appropriated from the General
73 Fund.

74 (3) "Applicant" means any eligible applicant seeking financial
75 assistance from an agency for a business project. The term "applicant"

76 shall not include any political subdivision of the state.

77 (4) "Business project" means a business proposal undertaken by one
78 or more applicants, but does not include housing unless undertaken in
79 combination with another unrelated type of business.

80 (5) "Biotechnology business project" means any commercial project
81 to be used or occupied by any person to conduct laboratory activity
82 relating to, or the research, development or manufacture of,
83 biologically active molecules or devices that apply to, affect or analyze
84 biological processes.

85 (b) (1) No agency or agencies may award more than a total of [ten]
86 twenty million dollars of financial assistance during any two-year
87 period to an applicant or for a business project unless such financial
88 assistance is specifically authorized by an act of the General Assembly.
89 [which has been enacted before, on or after July 1, 1994.] (2) The
90 provisions of subdivision (1) of this subsection shall not apply to any
91 awards funded or to be funded by bonds authorized to be issued by
92 the State Bond Commission before July 1, 1994.

93 (c) Notwithstanding the provisions of subsection (b) of this section,
94 no agency or agencies may award more than [twenty] forty million
95 dollars of financial assistance for a biotechnology business project
96 during any two-year period unless such financial assistance is
97 specifically authorized by an act of the General Assembly. [which has
98 been enacted before, on or after July 1, 2001.]

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2014	32-9t(i)
Sec. 2	July 1, 2014	32-9t(q)
Sec. 3	July 1, 2014	32-462

Statement of Purpose:

To increase the cap on the urban and industrial site tax credit and raise the thresholds for legislative approval of state financial assistance.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]